

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

In re:

McClain Feed Yard, Inc.
Debtor.

and

McClain Farms, Inc.
Debtor.

and

7M Cattle Feeders, Inc.
Debtor.

[illegible]

Case No. 23-20084-7-rlj
Chapter 7 Case

Case No. 23-20085-7-rlj
Chapter 7 Case

Case No. 23-20086-7-rlj
Chapter 7 Case

**CORY JESKO'S RESPONSE AND OBJECTIONS TO KENT RIES, TRUSTEE'S
MOTION FOR RULE 2004 EXAMINATION OF USDA DEALER TRUST CLAIMANTS**

**TO: Kent Ries, Trustee, by and through Special Counsel for Trustee, Hudson M. Jobe,
Quilling, Selander, Lownds, Winslett & Moser, P.C., 2001 Bryan Street, Suite 1800,
Dallas, Texas**

COMES NOW, Cory Jesko, a USDA Dealer Trust Claimant in the above-captioned Chapter 7 cases, by and through his attorneys, Lovell, Isern & Farabough, LLP, and hereby submits his Response and Objections to Kent Ries, Trustee's Motion for Rule 2004 Examination of USDA Dealer Trust Claimants.

DATED this 31st day of May 2024.

Respectfully submitted,

LOVELL ISERN & FARABOUGH, LLP

John H. Lovell, SBN: 123609300

john@lovell-law.net

Matthew S. Merriott, SBN: 24100846

matthew@lovell-law.net

112 SW 8th Avenue, Suite 1000

Amarillo, Texas 79101-2314

Phone: (806) 373-1515

Fax: (806) 379-7176

By: /s/ John H. Lovell

John H. Lovell

Attorneys for HTLF Bank

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was delivered, as certified below, this 31st day of May 2024, to:

Hudson M. Jobe
Quilling, Selander, Lownds,
Winslett & Moser, P.C.
2001 Bryan Street, Suite 1800
Dallas, TX 75201

Via ECF Service: hjobe@qslwm.com

By: /s/ John H. Lovell

John H. Lovell

RESPONSES AND OBJECTIONS

1. **REQUESTED DOCUMENTS:** All documents or electronically stored information concerning either: (a) any transfer of property by You (including anyone on Your behalf) to any of the Debtors or the Debtors' Affiliates (including anyone on any of their behalf); or (b) any transfer of property by the Debtors or the Debtors' Affiliates (including anyone on any of their behalf) to You (including anyone on Your behalf). Documents responsive to this request include, but are not limited to: (1) banking records (such as bank statements, copies of checks, wire instructions, wire receipts, ledger entries); (2) investment contracts, agreements, invoices, or receipts, including shipping records or other records concerning livestock sales involving any of the Debtors or the Debtors' Affiliates; and (3) communications with any party concerning any such transfers.

OBJECTIONS:

RESPONSE: See documents Bates stamped C. Jesko 001-027 attached to this Response.

See also documents attached to the Proof of Claim filed in the matters as listed below:

Case 23-20086-rlj 7 M Cattle Feeders – Proof of Claim 20

Case 23-20085-rlj McClain Farms, Inc. – Proof of Claim 21

Case 23-20084-rlj McClain Feed Yard, Inc. – Proof of Claim 24

2. **INTERROGATORY:** Identify each and every: (a) transfer of property by You (including anyone on Your behalf) to any of the Debtors or the Debtors' Affiliates (including anyone on any of their behalf); and (b) transfer of property by the Debtors or the Debtors' Affiliates (including anyone on any of their behalf) to You (including anyone on Your behalf). For each transfer, provide the date, property (if cash, list dollar amount), identify of the

transferring party, identity of the receiving party, and if applicable, a description of any contract, invoice, or other agreement related to such transfer.

Pursuant to Federal Rule of Civil Procedure 33(d), Respondent serves his business records (identified in Response to Request for Production No. 1 above) in lieu of narrative answers.

Date	Property	Transferring Party	Receiving Party	Contract
3/4/2022	\$83,985.94	Cory Jesko	McClain FY	95 hd
7/12/2022	\$14,760.36	McClain FY	Cory Jesko	19 hd
8/25/2022	\$84,210.40	Jeff & Cory Jesko	McClain FY	unknown
2/10/2023	\$91,401.30	McClain FY	Cory Jesko	101 hd
2/14/2023	\$84,504.22	Cory Jesko	McClain FY	101 hd

PROJECTED CLOSE OUT

HEAD	95
COST	83985.94
BOUGHT WEIGHT	54625
\$ SOLD	111307.77
SELL WEIGHT	73625
COST/GAIN	18050
LBS GAINED	19000
PROFIT	9271.83

First Group

3/2/2022

[illegible]

575 lbs

\$ 884.06

cory + Jeff Jesko

CLOSE OUT

first group

HEAD	93
COST	83985.94
BOUGHT WEIGHT	54625
\$ SOLD	109,370.77
SELL WEIGHT	72633
COST/GAIN	15,999.17
PROFIT	9,385.66

CHECK FOR 90243.05 $\div 93 = 970.3554$

90243.05
83985.94

6257.11

93

67.28

CLOSE OUT

HEAD	93
COST	83985.94
BOUGHT WEIGHT	54625
\$ SOLD	109,370.77
SELL WEIGHT	72633
COST/GAIN	15,999.17
PROFIT	9,385.66

CHECK FOR 90243.05 $\div 93 = 970.3554$

90243.05
83985.94

6257.11
93

67.28

Hand of UK

WIRE TRANSFER REQUEST

Officer's Approval
[Signature]
Individual Calling

Taken By
CHEYANNE

Date
3/4/2022

RECEIVER INFORMATION

Bank Name

MECHANICS BANK

Bank Address and Location

2100 S BLOSSER RD SANTA MARIA, CA 93458

ABA or Routing #

122238420

SENDER INFORMATION

Account Name

CORY J JESKO

Account Number
137642

Address and Location

3970 FM 1057 HEREFORD TX 79045

Identification Type, State or Country of Issue, Number (Non-Customer)

Taxpayer ID# (noncustomer)

Request Code (If Required)

Phone #

BENEFICIARY INFORMATION

Beneficiary Account Name

MCCLAIN FEEDYARD

Account Number
*0819150197

Beneficiary Address and Location

824 MULLINS LANE BENTON KY 42025

Beneficiary information Special Instructions (If any)

Current Balance \$30,000.00

Wire Fee \$ 15.00

Collected Balance \$30,000.00

Wire Amt \$83,985.94

PLUS DEPOSITS

I acknowledge receipt of this notice; have read and understand its contents.

OFAC Review
Date
Conducted by:

[Signature]
3/4/2022

[Signature]
Cory Jesko

CUSTOMER SIGNATURE

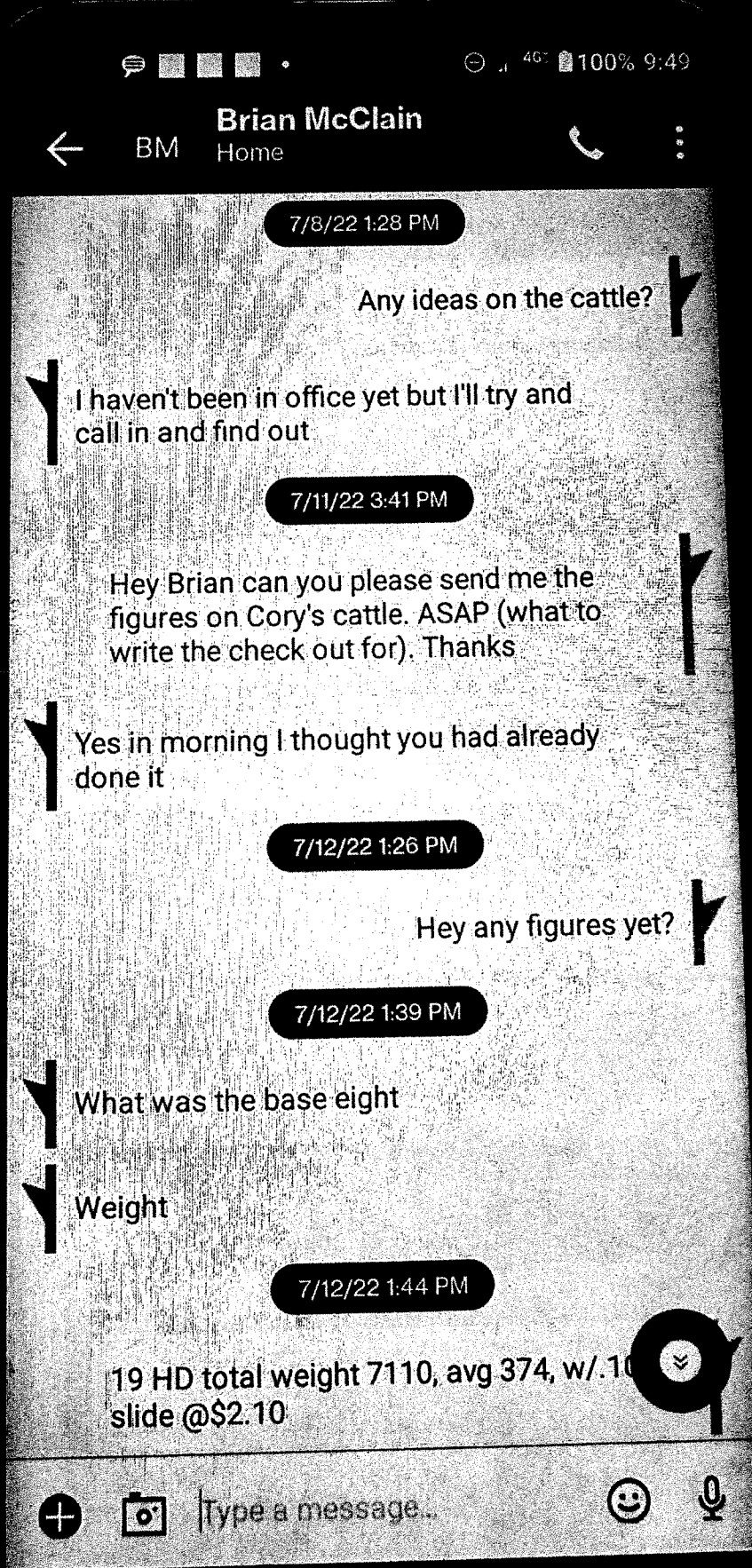
C. Jesko 005

March 2022
To
August 2022

CLOSE OUT

HEAD	93
COST	83985.94
BOUGHT WEIGHT	54625
\$ SOLD	109,370.77
SELL WEIGHT	72633
COST/GAIN	15,999.17
PROFIT	9,385.66

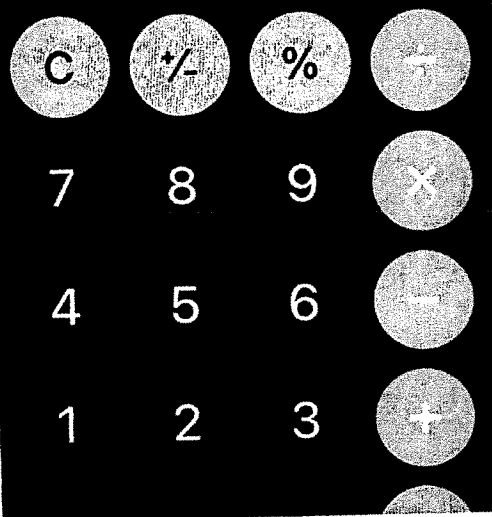
CHECK FOR 90243.05



← BM **Brian McClain** Home

7/12/22 3:55 PM

14,760.36



Thanks

7/12/22 4:20 PM

Do you want me to send you a picture of the check?

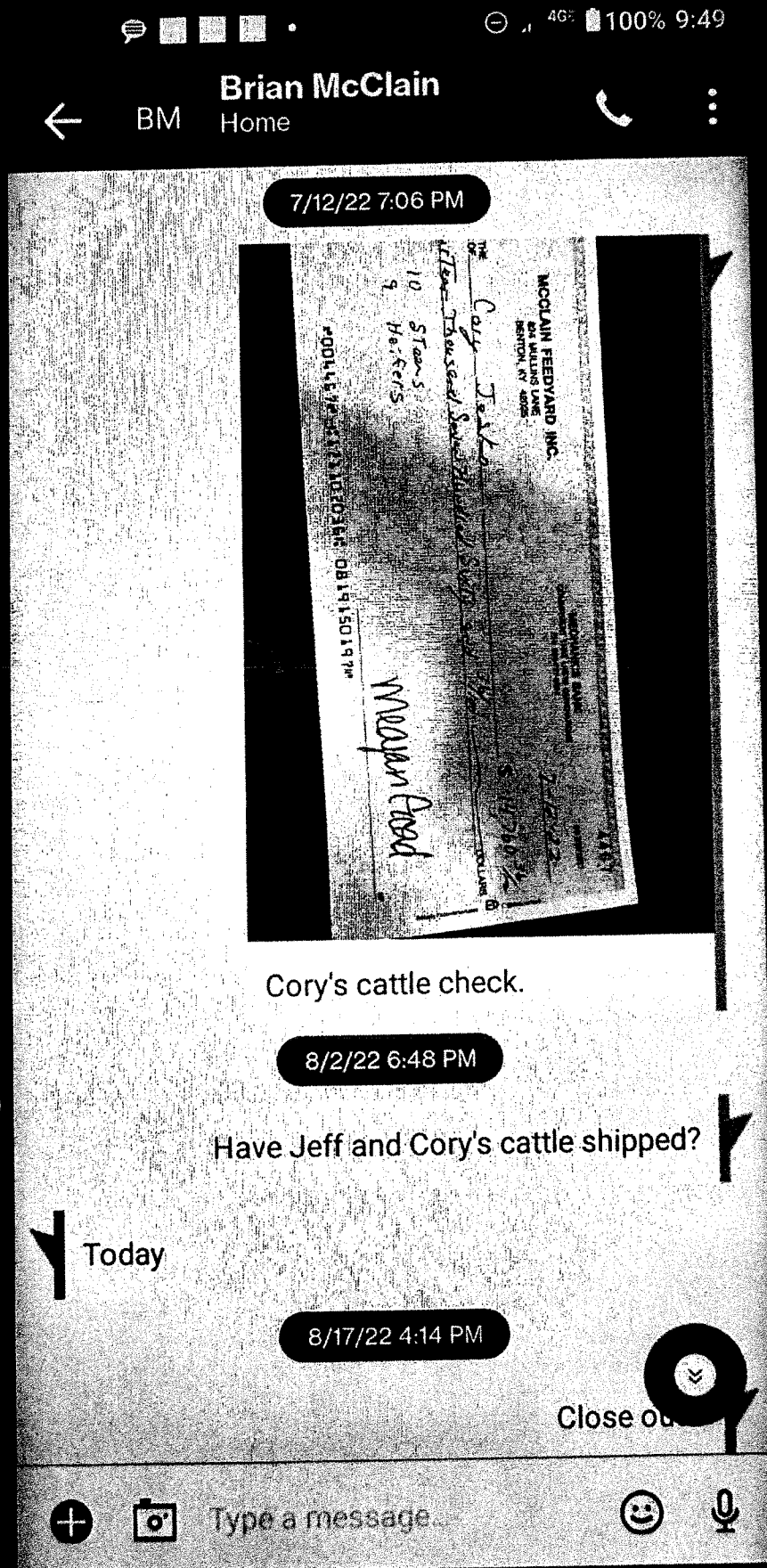
Please

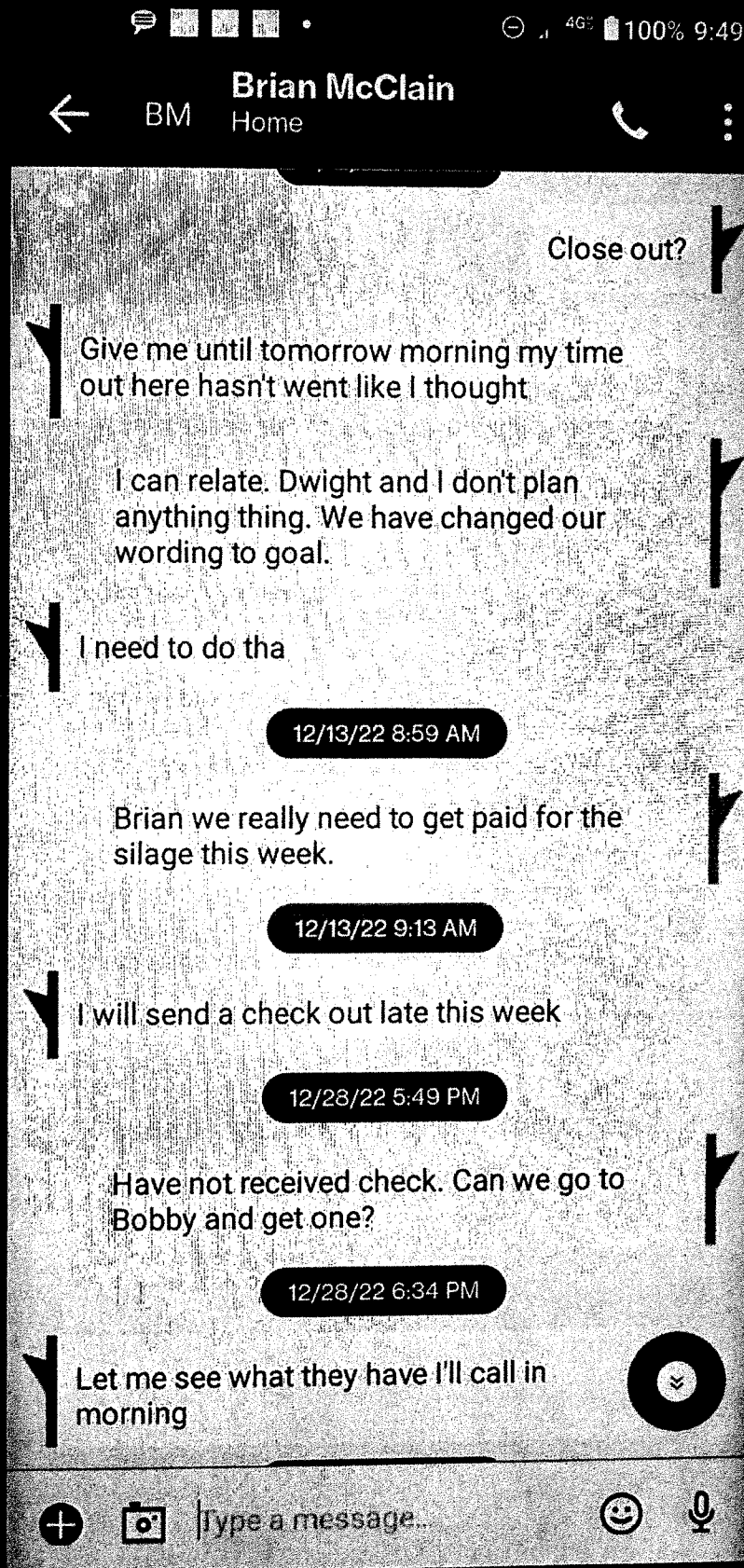
7/12/22 7:06 PM

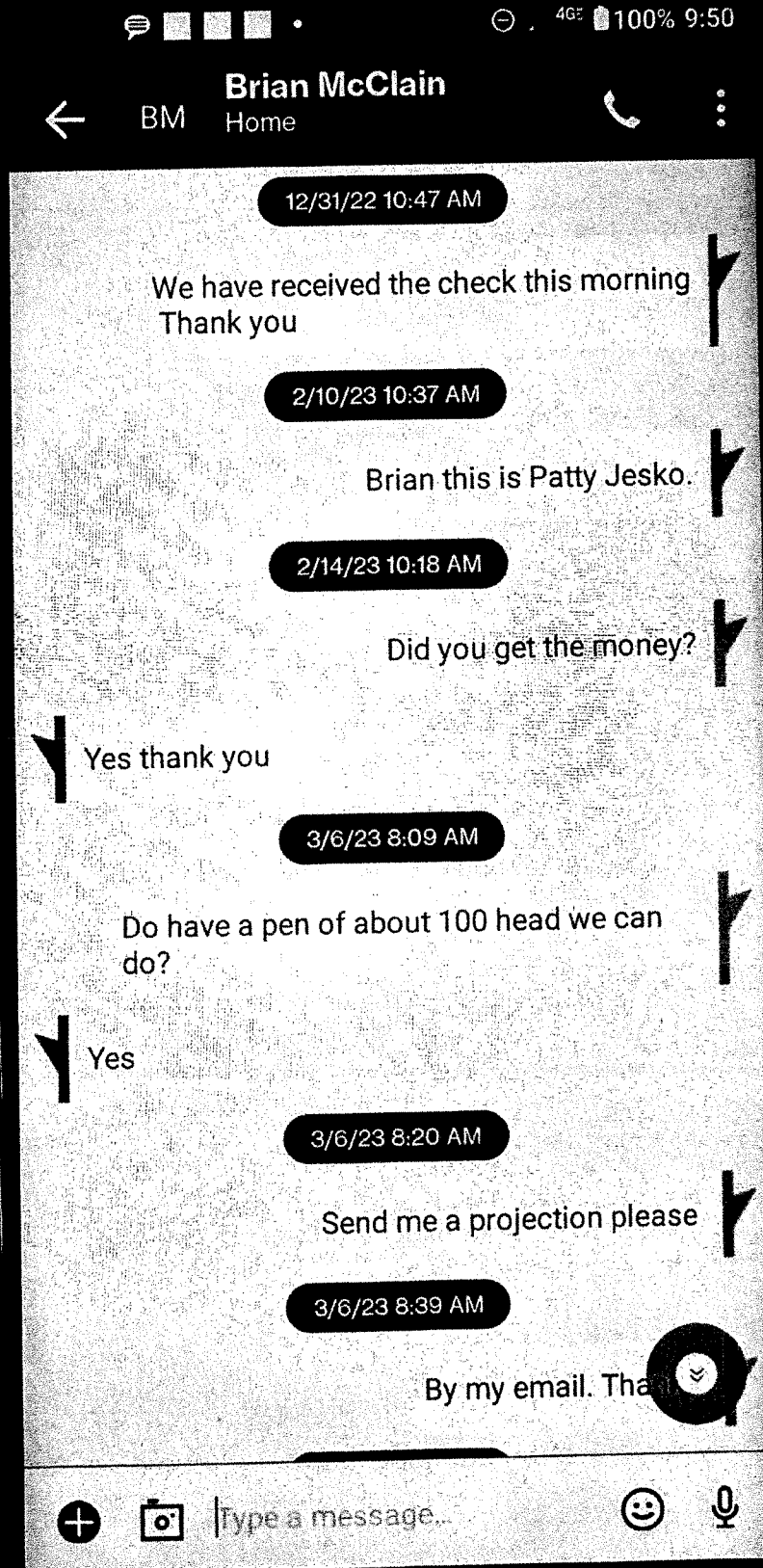


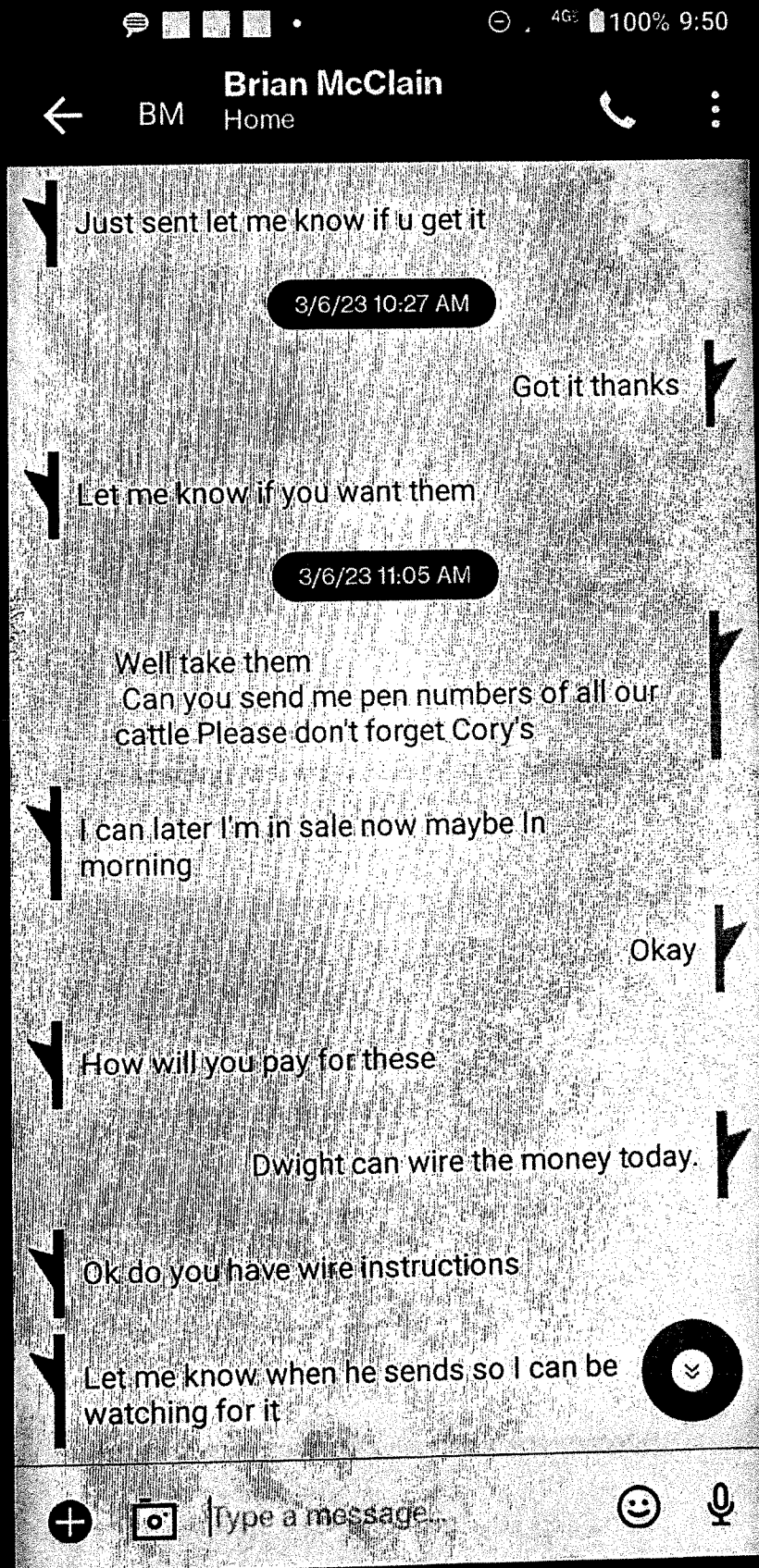
| type a message

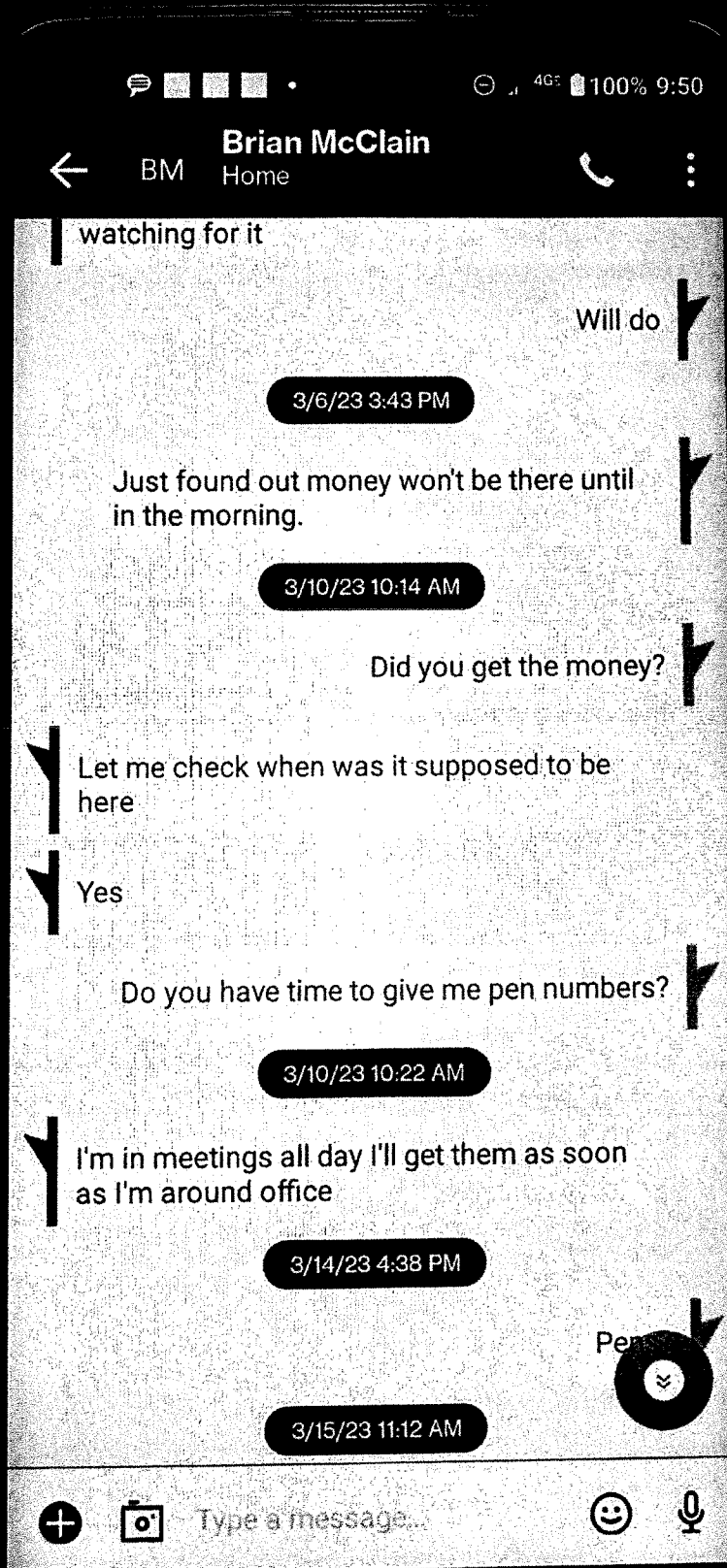


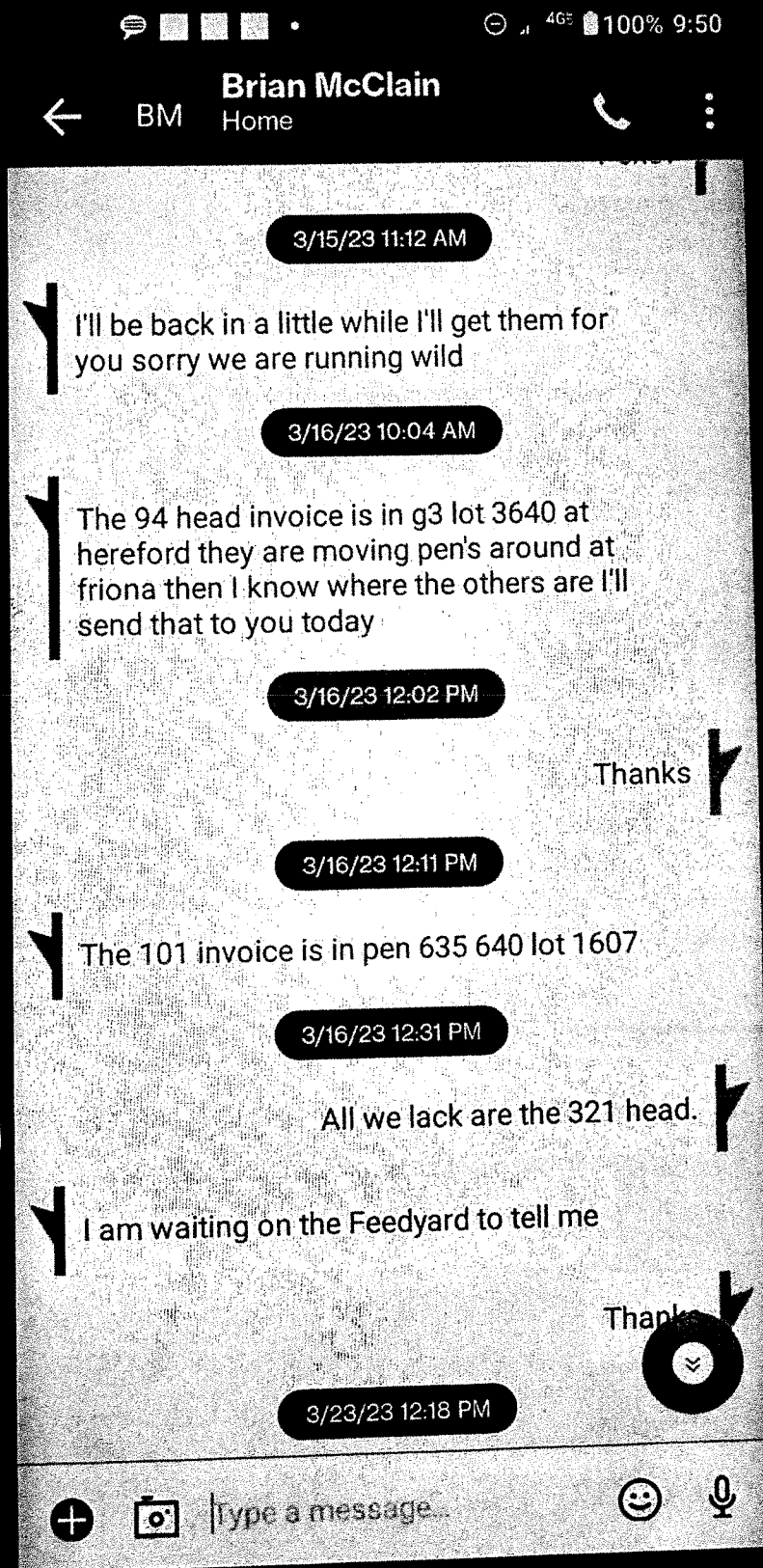


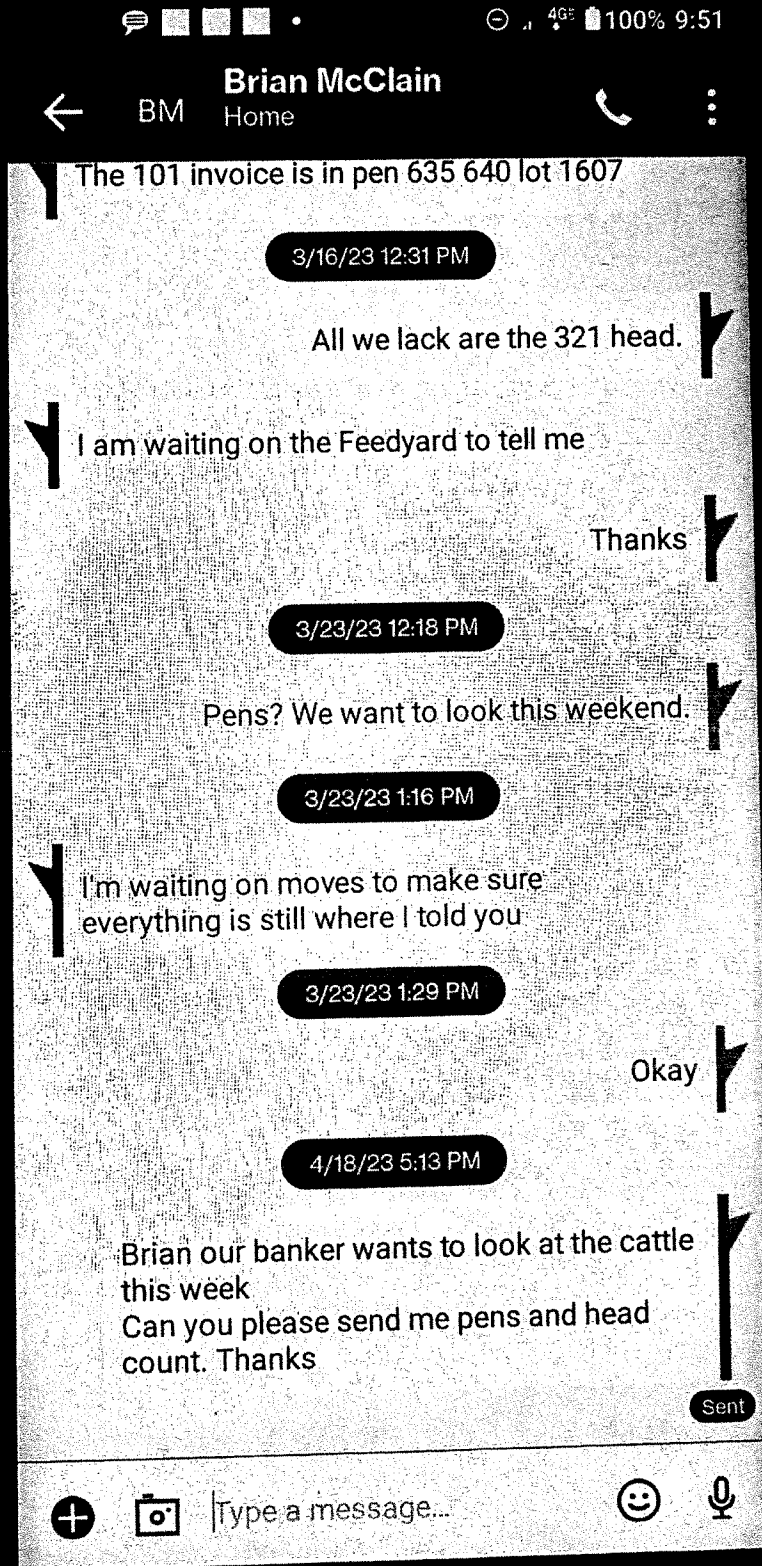


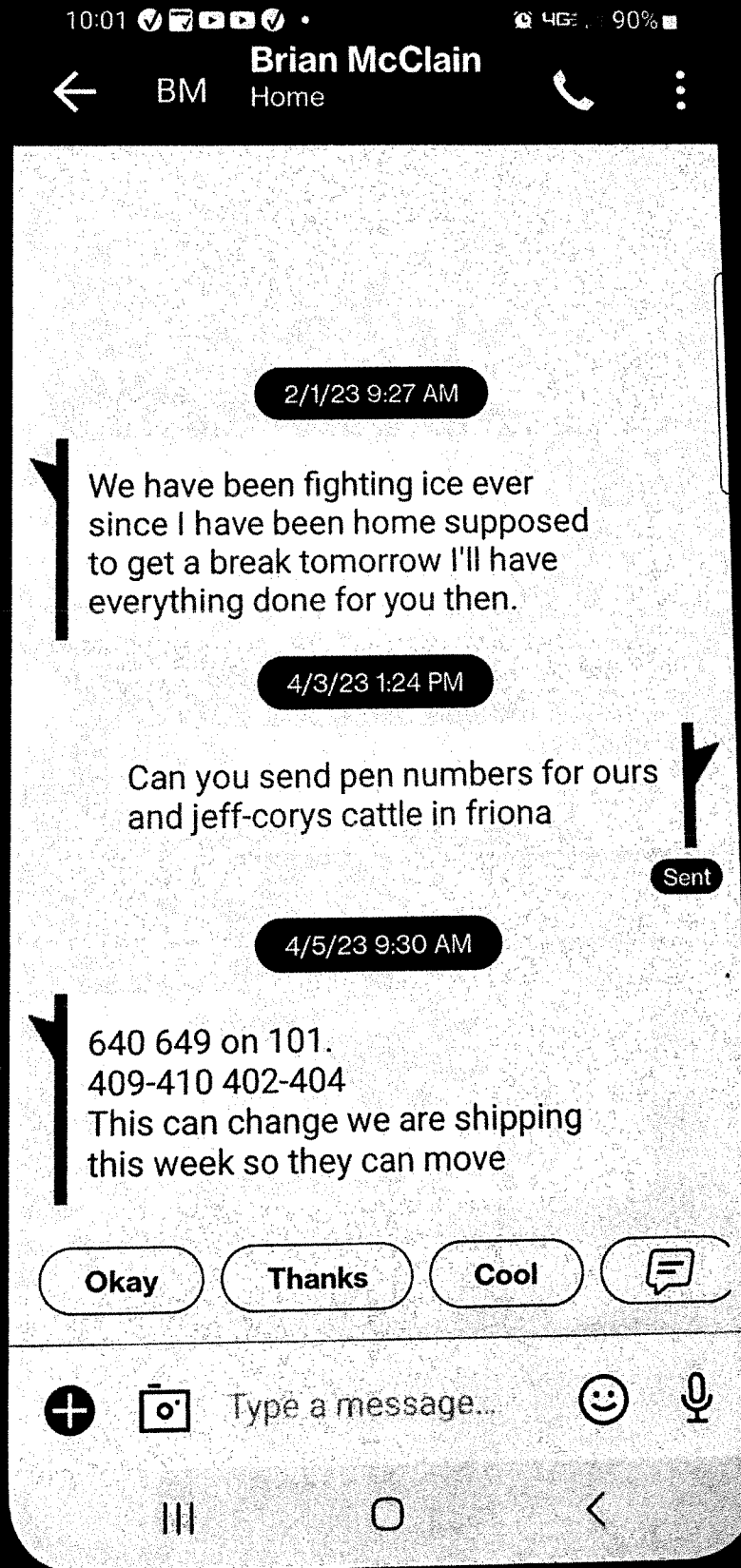












#1005 of 112

WIRE TRANSFER REQUEST

Officer's Approval
[Signature]
Individual Calling

Taken By
CHEYANNE

Date
8/25/2022

RECEIVER INFORMATION

Bank Name

MECHANICS BANK

Bank Address and Location

2100 S BLOSSER RD SANTA MARIA CA 93458

ABA or Routing #

122238420

SENDER INFORMATION

Account Name

JEFFREY JESKO & CORY JESKO

Account Number

137642

Address and Location

3970 FM 1057 HEREFORD TX 79045

Identification Type, State or Country of Issue, Number (Non-Customer)

Taxpayer ID# (noncustomer)

Request Code (If Required)

Phone #

BENEFICIARY INFORMATION

Beneficiary Account Name

MCCLAIN FEEDYARD

Account Number

*0819150197

Beneficiary Address and Location

824 MULLINS LANE BENTON KY 42025

Beneficiary information Special Instructions (If any)

Current Balance \$96,218.73

Wire Fee \$ 15.00

Collected Balance \$96,218.73

Wire Amt \$84,210.40

I acknowledge receipt of this notice; have read and understand its contents.

OFAC Review

Date

Conducted by: [Signature]

Cory Jesko

CUSTOMER SIGNATURE

C. Jesko 017

Second Group

CLOSE OUT

HEAD	101
COST	84210.4
BOUGHT WEIGHT	50024
\$ SOLD	117,788.57
SELL WEIGHT	77467
COST/GAIN	22,791.82
PROFIT	10,786.35

check for 91401³⁰

CLOSE OUT

Third Group

HEAD	101
COST	84210.4
BOUGHT WEIGHT	50024
\$ SOLD	117,788.57
SELL WEIGHT	77467
COST/GAIN	22,791.82
PROFIT	10,786.35

check for 91401³⁰

4816

MCCLAIN FEEDYARD INC.
824 MULLINS LANE
BENTON, KY 42025

MECHANICS BANK
COMMITMENT THAT LASTS GENERATIONS
PH: 800-797-6324

90-203/1211

2-10-23

PAY TO THE
ORDER OF

Cory Jesko

\$ 91401³⁰/₁₀₀

Ninety One Thousand Four Hundred and One + ³⁰/₁₀₀ DOLLARS

Sale of 101 head

MEMO

Meagan Aood ^{MP}

⑈004816⑈ ⑆121102036⑆ 0819150197⑈

C. Jesko 020



First National Bank

DEPOSIT

Notice: Deposits may not be available for immediate withdrawal (Please refer to the bank rules governing the availability for details.)

Date

2/10/23

TELLER'S

FEB 10 2023

FIRST NATIONAL
GREENSBORO, NC

Sign here for less cash received (if required)

Name

Corey Jesko

Address

\$103,410.73

PLEASE ENDORSE EACH CHECK

CURRENCY	DOLLARS	CENTS
COIN		
CHECKS (LIST SEPARATELY)		
William Feed and	71410	30
SUBTOTAL		
LESS CASH RECEIVED	1	
TOTAL DEPOSIT	71410	30

1371047
ACCOUNT NUMBER



First National Bank

301 W. 3rd
Hereford, Texas
(806) 363-2265

710 W. 11th
Friona, Texas
(806) 250-2900

MEMBER FDIC

1 - 01

- PAGE
ACCOUNT

CORY J JESKO
JEFFREY D JESKO
3970 FM 1057
HEREFORD TX 79045

STATEMENT PERIOD
01/31/2023 TO 02/28/2023

CHECKING SUMMARY

PERS NOW
CHECKING BALANCE LAST STATEMENT..... 12,009.43
1 DEPOSITS..... 91,401.30
1 OTHER CREDITS..... 15.11
CHECKS..... .00
3 OTHER DEBITS..... 84,534.22
CHECKING BALANCE THIS STATEMENT..... 18,891.62

INTEREST SUMMARY

28 DAYS IN STATEMENT CYCLE
.69% ANNUAL PERCENTAGE YIELD EARNED
15.11 AMOUNT OF EARNED INTEREST
28,500.30 AVERAGE DAILY LEDGER BALANCE

FEE SUMMARY

TOTAL FEES IMPOSED .00

SUMMARY OF OVERDRAFT AND RETURNED ITEM FEES

	TOTAL FOR THIS PERIOD	TOTAL YEAR-TO-DATE
TOTAL OVERDRAFT FEES	\$0.00	\$0.00
TOTAL RETURNED ITEM FEES	\$0.00	\$0.00

ACCOUNT CREDIT TRANSACTIONS

DATE.....AMOUNT.....DESCRIPTION
02/10 91,401.30 DEPOSIT
02/28 15.11 INTEREST

OTHER DEBIT TRANSACTIONS

DATE.....AMOUNT.....DESCRIPTION
02/14 15.00 W/T FEE
02/14 15.00 W/T FEE
02/14 84,504.22 WIRE/OUTGOING MCCLAIN FEEDYARD Bought 3 group
101 head

Jesko, Patricia

From: Brian McClain <mcclainfarms@gmail.com>
Sent: Monday, February 13, 2023 4:52 PM
To: Jesko, Patricia
Subject: [EXTERNAL] Re:

This Message Is From an Untrusted Sender
You have not previously corresponded with this sender.

Report Suspicious

Sure can call now

Sent from my iPhone

On Feb 13, 2023, at 4:42 PM, Jesko, Patricia <Patricia.Jesko@chsinc.com> wrote:

Dwight and Cory did not make it to the bank before 1:00. You will get it first thing in the morning.
Do have time to talk? I have a question for you. May I call you on your cell?

Patty

CHS Service Center - Hereford

(806)364-2368

"Creating connections to empower agriculture"

From: Brian McClain <mcclainfarms@gmail.com>
Sent: Monday, February 13, 2023 4:33 PM
To: Jesko, Patricia <Patricia.Jesko@chsinc.com>
Subject:

This Message Is From an Untrusted Sender
You have not previously corresponded with this sender.

Report Suspicious

Do you know what day you will wire money to me.

Sent from my iPhone



United States Department of Agriculture

May 15, 2023

Cory Jesko
3970 F.M 1057
Hereford, TX 79045

Dear Cory Jesko

We have received information that you may not have been paid for livestock sold to McClain Farms, Inc. McClain Feed Yard, Inc. and 7M Feeders, Inc., 824 Mullins Ln, Benton, KY 42025-4702 (McClain). Section 318 of the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. §§ 181-229) (hereafter referred to as the Act), provides all livestock purchased by a dealer in cash sales, and all inventories of, or receivables or proceeds from, such livestock shall be held by such dealer in trust for the benefit of all unpaid cash sellers of such livestock until full payment has been received by such unpaid cash sellers. Section 318(d) provides a cash sale means a sale in which the seller does not expressly extend credit to the buyer.

A cash basis livestock seller must act promptly to protect their rights under the Act's trust provision. The law requires that written notice of an interest in the trust be given both the dealer and the to the Agriculture Marketing Service, Fair Trade Practices Program, Packers and Stockyards Division (PSD). If written notice is not given to the dealer and to PSD within the time limits specified in the Act, the unpaid cash seller of livestock could lose their claim in the trust that McClain is required to maintain.

Notice is required within 30 days after payment is due in the event that no payment instrument has been received, or within 15 business days after the payment instrument issued to the livestock seller has been dishonored. Please note that written notice must be given within 30 days after payment is due if no payment instrument has been received, and that the 15 business day filing period only applies if the payment instrument was received before the 30-day limit for providing notification had elapsed and the payment instrument was promptly presented to the bank for payment. While written notice may be made by fax, text, hand delivery, email, regular mail, certified mail - return receipt requested, etc., it is recommended that you used the method that will meet the time limits above and will also provide a record of receipt.

We are enclosing a sample trust claim notice, which you may use in mailing your notice to McClain and to this PSD Regional Office to perfect your interest in the trust. Your claim amount should be for the gross amount the dealer had agreed to pay as the purchase price of the livestock. Your claim may also include interest from the date following delivery and acceptance and costs incurred in seeking your right to payment.

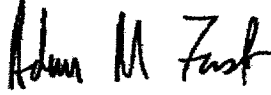
Prompt action is recommended to protect your trust interest. Section 308 of the Act does provide a basis for a private action to be brought by any U.S. District Court of competent jurisdiction by any person injured by a violation of the Act. This provision is in addition to existing common law or any other statutory remedies and does not abridge or alter these remedies.

A copy of the Packers and Stockyards Act and Regulations is available on the internet at <https://www.ams.usda.gov/rules-regulations/packers-and-stockyards-act>.

If you have any questions, please contact this office at (515) 323-2579.

C. Jesko 024

Sincerely,



Adam M. Fast
Financial Unit Supervisor
Packers and Stockyards Division

Enclosure

Agricultural Marketing Service, Fair Trade Practices Program, Packers and Stockyards Division, Midwestern Regional Office
210 Walnut Street, Room 317, Des Moines, IA 50309
Voice: 515-323-2579 Fax: 515-323-2590
Hotline: 1-833-342-5773 www.ams.usda.gov

An Equal Opportunity Provider and Employer

C. Jesko 025



Texas & Southwestern Cattle Raisers Association

Attention: **Special Ranger** Chris Ward

Address: PO Box 88, Clarendon, TX 79226

Email: cward@tskra.org

Case Number: 23-01-017C

Date of Statement: _____, 202__

As requested, here is additional information about my dealings with McClain Farms
(feed yard), and Brian McClain (individual/person).

My company/name is Cory Jesko (first, middle, last). I started putting cattle
in _____ (feed yard) on 3-4-22 (MM/DD/YYYY) and continued
through 4-18-22 (MM/DD/YYYY).

In 4-19-22 (month) 202__, I was notified that cattle were missing or short at
McClain Farms (feed yard).

Based on my records, I have provided the below summary of all cattle delivered to
McClain Farms (feed yard), reported all death loss, the market value of the cattle
as of the date of delivery, the number of cattle transferred out/sold before the date of the incident, and
the total number of cattle remaining at the feed yard pursuant to my records. I certify that this
information is true and correct to the best of my knowledge and belief.

_____ about my dealings with _____
(individual/person)

Head Count & Financial Summary:

1. Market Value of Cattle at Delivery (\$)	84504.22
2. Total Head Delivered (head count)	101
3. Average Cost Per Head (\$) <i>divide line 1 by line 2</i>	836.68
4. Confirmed Death Loss (head count)	2
5. Cattle Transferred/Sold by Owner (head count)	0
6. Owner's Record of Cattle at Feed Yard (head count) <i>subtract lines 4 & 5 from line 2</i>	101
7. Physical Inventory of Cattle at Feed Yard (head count)	101 head
8. Missing Cattle (head count) <i>subtract line 7 from line 6</i>	101 head
9. Market Value of Missing Cattle (\$) <i>multiply line 8 x line 3</i>	106050

Page 2

Cattle Company/Individual Name: Cory Jesko
Address: 3970 FM 1057
City, State, Zip: Hereford Tx 79045
Phone: (806) 344-6113
Email: cory.jesko@gmail.com

*****Please complete the form, attach the following and email to the Special Ranger at the top of this form:*****

- A. Attach a copy of any personal business Excel or Quick Books inventory.
- B. Attach a copy of all monthly Yard Sheets provided by McClain Farms (feed yard).
- C. Attach copies of invoices of the cattle purchased.
- D. Attach copies of trucking records in/out of McClain Farms (feed yard).
- E. Attach copies of all Receiving Reports provided by McClain Farms (feed yard).
- F. Attach any correspondence with McClain Farms (feed yard) or any of its representatives, including but not limited to, text messages, social media posts/messages, emails, and voicemail messages.